



Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING AND RETREAT MINUTES **September 14, 2010**

Board of Directors

Kathy Faulk, Jeffrey Griswold (representing System Property Development Company), Robert Hanasab, Anne Peaks, Peklar Pilavjian, Carol E. Schatz, Patrick Spillane, Daniel B. Swartz, Susann Venzke, Cari Wolk, Peter Zen

Absent

Sonny Astani, Barbara Bundy, Robert Cushman, David Damus (Jeffrey Griswold attended as alternate), Frank Frallicciardi, Kent Handleman, Steve Hathaway, Sandy Nam, Colin Shepherd, Josh Wrobel

Staff

Hal Bastian, Michael Clark, Aleeza Miller, Ken Nakano, Alexander Stettinski, Justin Weiss

CALL TO ORDER

Spillane called the meeting to order at 9:06 a.m. and a quorum was reached at 9:49 a.m.

INTRODUCTION OF HILTON CHECKERS GENERAL MANAGER

Eddie Andre, the new General Manager of the Hilton Checkers Hotel, introduced himself to the Board members and welcomed them to the hotel.

PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Spillane opened the meeting to the public for comments, in which there were none.

PRESIDENT'S REPORT

Schatz reported:

The "Summer in the City" campaign brought in over \$350,000 in additional revenue.

The 4th Annual Dog Day Afternoon was very successful, with 500 dogs and 1,000 people. Ten Downtown pet vendors had trade tables. Councilmember Jan Perry, Cardinal Roger Mahoney, and Archbishop Jose Gomez were in attendance. The Westin Bonaventure Hotel & Suites and the Hilton Checkers Hotel were represented at the event as pet-friendly hotels.

There was a meeting to discuss the Streetcar set for September 22nd, but Schatz will cancel the meeting to focus on the assessment and the route before discussing the Streetcar with property owners.

CCA will be holding its Downtown 2020 Symposium on October 12, 2010 at the Marriott Downtown Los Angeles Hotel to discuss what Downtown should look like in ten years. The DCBID Board members are also invited to participate in CCA's Downtown 2020 Committee. CCA will create a legislative agenda to assist the City in continuing the momentum of the revitalization of Downtown.

The Public Safety Appreciation Barbeque will be held on October 29, 2010, at 7+FIG. This year's beneficiary is The Los Angeles Police Memorial Foundation. Our stated fundraising goal has already been met.

Planning for the Halloween Party for Downtown LA Kids is ongoing.

The Fall Program & Tour will be held on November 16, 2010.

Alex Stettinski has been participating in the BID Consortium's subcommittee, which was formed to identify issues in the City's permit process for Public Works-related services (i.e. tree trimming) and to submit recommended solutions.

Hal Bastian will go into detail regarding the 7th Street Retailer Recruitment implementation. Prospects have been

Schatz is trying to work with the Department of Recreation and Parks on security for Pershing Square. Schatz is also working with City Attorney Carmen Trutanich regarding the café in Pershing Square. A potential tenant has expressed interest in operating in that space, but the RFP presented by the Department of Recreation & Parks was so prohibitive that the prospect chose not to pursue the opportunity.

The next meeting will be on Wednesday, November 3, 2010, during which time the proposed 2011 budget will be presented. The proposed budget will be emailed to the Board members two weeks before the next Board meeting in order to give them time to review the budget before voting on it.

Schatz requested recommendations for prospective DCBID Board members. The Board needs to vote on the reinstatement of David Damus as a Board member, since he moved from L&R Investment Company to System Property Management.

COMMITTEE REPORTS:

MARKETING

Stettinski reported:

The "Summer in the City" campaign generated \$350,000 in additional revenues for the hotel properties participating in the campaign.

The 11th Annual Public Safety Appreciation Barbeque is scheduled for Friday, October 29, from 11:00 a.m. to 2:00 p.m. at the plaza on 7+FIG. Fundraising for the event is still in progress, although the fundraising goal has already been met. An additional \$10,000 in food sales is expected to be generated at the event. Coca Cola and Jarritos will provide all beverages.

The second phase of the website's update has been completed, and includes a Happy Hours page (which is now the most popular page on the website), a resource page for families and kids, a BID Alerts feature for Safe & Clean-related issues, improved search capabilities, and a mobile version of the website. The third phase will include the addition of a Facebook "Like" button next to calendar listings, live movie listings for Downtown, and a Google Maps API for a parking directory. Additional possibilities include a Downtown LA App for the iPhone and the Android platform.

The Downtown Guides are doing a wonderful job. The program will continue to be adjusted to ensure more effective, more visible. Guides also supported conferences at Convention Center. Deployments are adjusted to cover special event weekends. Excellent feedback received.

ECONOMIC DEVELOPMENT

Bastian announced the promotion of Justin Weiss to Associate Director of Economic Development.

Weiss reported:

Retail recruitment continues its canvassing two days per week. A trip was taken to Downtown Portland to tour the area with the retail strategy consultants and see what Portland has done to attract retailers. Several tours have been given to prospective retailers.

Weiss will be meeting with Costco to give them a tour of the Downtown area. Schatz will give Weiss background information on the recruitment history of Costco before the meeting.

The department has been working closely with Jeffery Deitch of MOCA to host Downtown Residents Night at MOCA on September 23. Heavy outreach has been done to all residential buildings.

The department attended the International Council of Shopping Centers Next Generation Breakfast, which focused on urban retail trends.

The Department of Recreation & Parks released its RFP for the unoccupied café space in Pershing Square, but the prospect who expressed interest in the space chose not to pursue the opportunity due to the highly prohibitive nature of the RFP.

The Downtown High Rise Managers Luncheon was held at the Lexus Lounge at Staples Center. The DCBID and AEG gave the attendees updates on the state of Downtown. The main topic of the luncheon was direct marketing outreach to Downtown employees.

The DCBID continues to assist LA Inc. and the NBA with community outreach for the 2011 NBA All Star Game. One of the big challenges is that organizers want temporary off-site signs, which is currently a highly contentious issue.

The department is meeting with local landlords regarding the renovation of their properties and the purchase of additional properties.

The DCBID met with a prominent group launching a new and improved Los Angeles Fashion Week. The top ten fashion designers in the country live and work out of Los Angeles, but do not show in Los Angeles.

Recruitment of notable restaurateurs is underway to open establishments and test kitchens in Grand Central Market.

Office tenant recruitment continues.

The Halloween Party for Downtown LA Kids will be held on October 31.

Housing tours continue to be standing room only.

OPERATIONS

Nakano reported:

There was a significant decrease in Part I crime in the DCBID area. The majority of crimes that occurred in the district were personal thefts, especially shoplifting from Rite Aid and Macy's. Panhandling continues to be a problem. The LAPD has increased their aggressive panhandling detail, but needs to communicate their scheduling to the DCBID, since the Safety Officers are typically responding to aggressive panhandlers before the LAPD could.

In conjunction with the LAFD, the DCBID hosted Community Emergency Response Team (CERT) training for Safety officers. 90 percent of the staff completed the training.

The maintenance deployment schedule was adjusted to provide coverage for the increased nightlife in the district.

Maintenance is working on the cleanup of the planters and tree wells in the district.

Special cleanups were done of the overpass areas on 4th Street/Flower Street and 4th Street/Figueroa Street. One problem with the area is that none of the 50 lights in the underpass is functioning. A meeting will be held with the Street Services department to remedy this problem. A major cleanup was done along the median that runs between 1st and 3rd Streets on Flower Street.

A request was made for additional participation on the Operations Committee. Peklar Pilavjian agreed to participate.

There was a shooting in the Downtown area, although not within the DCBID district boundaries, which was initiated by a verbal altercation between two gangs.

ACTION ITEM

A motion was made, seconded, and approved to accept the minutes from the Board meeting on June 2, 2010.

FINANCE

Clark reported:

As of July 31, the total cash and investments are \$3.2 million and total net assets are \$3.3 million. Revenues exceeded expenses by \$2 million, which compares favorably with the \$1.8 million excess that was budgeted for. Assessment revenue is \$56,000 over budget for the year to date. Interest income is \$36,000 under budget due to historically low interest rates.

A motion to approve the May 31, 2010, June 30, 2010, and July 31, 2010 financial statements was made, seconded, and approved.

An update was given on the Historic Downtown Business Improvement District (HDBID) contract. Their security budget is overspent due to shootings in their district and the Art Walk events.

A discussion was held on the Art Walk events. LAPD is considering presenting a bill to the HDBID for street services because it is not a permitted event. The DCBID would like to capitalize on the popularity of the event and encourage the event attendees to patronize DCBID shops and restaurants. A meeting will be arranged with representatives from the HDBID and the Art Walk Board to discuss the potential involvement of the DCBID, public safety issues, and ownership/staffing of the event.

OLD BUSINESS

No old business was brought up.

NEW BUSINESS

No new business was brought up.

RETREAT PRESENTATION

The DCBID will not increase the assessment during such a tough economic climate, and the level of service will not decrease.

Operations:

The 2011 goals for the Operations Department are:

- Keep the District safe and clean with the use of special deployments as needed. Continued focus on quality of life issues.
- Improve the functionality and technology in the Service Center for more efficient and environmentally-friendly operations, with the possibility of relocating the Service Center.
- Develop new partnerships with agencies to enhance the services currently given through the BID ACTION program. Focus on specialized training of staff dealing with mental health issues in the field and improve the quality of training of contract workers on disaster preparedness in conjunction with the LAFD.
- Address street beautification issues, including tree trimming, planters and tree wells.

A comment was made regarding the possibility of having the DCBID become responsible for tree maintenance in the district. The Operations Committee will explore the cost of such a program. Scheduling, fees, and how to charge property owners will be determined at a later date.

A request was made to contact property owners outside of those represented on the Board of Directors to inform and reassure them of ongoing DCBID services.

A request was made for Herman Pang to generate a list of properties within the DCBID that are less than 200,000 square feet, and for Ken Nakano and an Ambassador to make personal contact with property owners/tenants.

A request was made for the creation of a database that contains property information, including the names of the owner/signer of assessment, property manager, security contact, and engineering/maintenance contact.

Economic Development:

The primary goal of the Economic Development Department for 2011 is to keep the buzz going through promoting new investment in Downtown. The Economic Development Department's 2011 goals also include:

- Retail
 - Implement the new retail strategy for 7th Street that builds on our hospitality and housing successes.
 - Retain existing businesses that we have recruited through expanded outreach and awareness programs for Downtown L.A. employees and residents. .
- Housing
 - Continue to attract both renters and buyers.
- Investors
 - Increase our outreach to the real estate brokerage community within and outside of Downtown L.A.
 - Maintain our "one-stop-shop" reputation for data and information on the Downtown market.
 - Facilitate introductions to property owners and brokers.
- Community Building
 - Further build the community among Downtown residents through events such as Second Saturdays: Downtowners' Dinner Parties, the Annual Dog Day Afternoon at the Cathedral, and the Annual Halloween Party for Downtown L.A. Kids.
 - Create an effective method to communicate with Downtown residents and workers.

A request was made to track residential rental rates and condo sales to see any uptick as the economy recovers. Since staff hours are limited and there are organizations already tracking the information, a request will be made to include such information on www.downtownla.com.

Marketing:

The 2011 goals for the Marketing Department are to:

- Continue to build and design new marketing campaigns to bring more people to Downtown.
- Provide support for economic development initiatives to help retain and attract businesses during the recovery.
- Maintain and continue to refine a strong website as a powerful marketing tool and versatile communications portal, including social media.
- Continue to refine the Downtown Guides program, which has successfully created a welcoming environment.
- Support businesses in the area through the distribution of promotional materials by the Downtown Guides and online.
- Continue to brand Downtown as a hip destination locally, regionally, and nationally through consistent media outreach and marketing campaigns (advertising and public relations).
- Leverage the free publicity we have received (i.e. LA Times Image section) to bring more consumer and investor interest to Downtown.
- Work with AEG to explore a signature event for Downtown.
- Support special events that enhance the image of Downtown.
- Develop new ways to communicate with Downtown residents, workers, and visitors.

Comments were made regarding deployment of the Downtown Guides for special events. Because they cannot work overtime, their schedules are adjusted to accommodate special event deployment.

A suggestion was made to create various Downtown day trip itineraries for visitors. Ideas and recommendations are welcome.

Administration & Finance:

The 2011 goals for the Administration & Finance Department are:

- Administration
 - Continue to increase participation in retirement and flexible spending plans to improve employee retention and lower employer tax liabilities.
 - Maintain all computer systems to ensure that we are current in terms of efficient operation.
 - Shift more vendor payments toward alternative means (credit cards, ACH transfers) in order to cut down on postage costs.
- Finance
 - Fully automate bank and investment account look-up and transaction procedures to increase investment income and improve efficiency of Accounting Department.
 - Continue to train and delegate work regarding bank reconciliations, journal entries, report generation, and other functions amongst accounting personnel to improve cross-training and work flow in the department.
 - Beginning in late 2010, shift payroll processing to Wells Fargo Payroll Services, and away from the more expensive ADP, to take advantage of the current relationship with Wells Fargo and the more efficient platform that they provide. (Wells Fargo has been tested by providing services for the HDBID payroll since 2009.)
 - Seek out the highest possible return on short-term bonds to obtain more interest income than is currently available from money market fund and certificate of deposit investments.

After further discussion, the DCBID will look into the cost of involvement and determine how resources may be made available to budget for the DCBID's involvement in Art Walk after the meeting with the HDBID and Art Walk Board representative(s).

ADJOURNMENT

The meeting was adjourned at 12:12 p.m.